

**Beneficiary perceptions of the quality of service
provision by the South African Social Security Agency
at five Eastern Cape social grants pay-points**

Occasional Paper



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1. AIM

In 2006 the administration of social grants was removed from provincial governments and returned to national government. In light of this transference of function, the PSAM decided to update past research on grants administration and pay-point services by 1) assessing whether grants beneficiaries perceived an improvement in the provision of amenities and efficiency at pay-points since the South African Social Security Agency's (SASSA) takeover in April 2006 and; 2) observing and assessing the general service provision and infrastructure availability at chosen pay-points.¹

2. CONTEXT

Approximately R12 billion in social grants will be paid out to beneficiaries in the Eastern Cape in the current financial year.² Up until 2006 the grants payments system was a provincial responsibility beset with a myriad of problems which resulted in the right of beneficiaries to access their grants in a dignified manner being constantly violated.³ This was a concern because individual rights were being violated, but also in light of the sheer number of citizens affected by this maladministration. There are 1 426 752 grants beneficiaries in the Eastern Cape.⁴ Thus the inefficiencies of the grants administration system affected a large proportion of citizens in the province and dependents (64 percent of households Eastern Cape have a member who is a grant recipient).⁵

3. METHOD

110 beneficiaries were surveyed using a standardised questionnaire at five pay-points in the Cacadu and Chris Hani districts during the August 2007 pay cycle.⁶ These were:

¹ See Neil Overy and Rock Zuma, The Outsourcing of Social Security Grants in the Eastern Cape, (Grahamstown, PSAM, 2004) and Stacey-Leigh Joseph, "Resorting to the courts: Litigation and the crisis in the administration of social grants in the Eastern Cape", available online at <http://www.psam.org.za/Docs/259.pdf>.

² Email correspondence with Vuyolwethu Bukula, SASSA Eastern Cape, 16 October 2007.

³ As will be discussed further on in this paper, between 2001 and 2005 the payment of social grants was beset with maladministration, fraud, very long queues, poor treatment of beneficiaries at pay-points and the lack of amenities to enable the elderly and disabled to receive their grants with dignity. See endnote 11 below for legal cases brought against the Eastern Cape Department of Social Welfare for maladministration associated with the provision of social grants.

⁴ Email correspondence with Vuyolwethu Bukula, SASSA Eastern Cape, 16 October 2007.

⁵ Eastern Cape Socio Economic Consultative Council, Cacadu District Profile, 2007, p. 43.

⁶ See Appendices for Questionnaire.

- a) B.B. Zondani Hall (Grahamstown, Cacadu, 1553 registered beneficiaries)
- b) Jawuka Hall (Port Alfred, Cacadu, 1582 registered beneficiaries)
- c) Somerset East Youth Hall (Somerset East, Cacadu, 1441 registered beneficiaries)
- d) Bholotwa (Bholotwa, Chris Hani, 510 registered beneficiaries)
- e) Lady Frere Community Hall (Lady Frere, Chris Hani, 1468 registered beneficiaries)

Observations were made and notes taken during visits to sites. Finally, the Eastern Cape Acting Regional Executive Manager of SASSA, Mark Rasmussen was interviewed on the Agency's administration of pay-points in the province.

4. SCOPE AND LIMITATIONS

Due to resource and time constraints other Eastern Cape districts could not be explored and thus there is a possibility that beneficiary perceptions and service conditions differ in other parts of the province. Two districts were chosen to widen the geographic reach of the survey. Pay-points in Cacadu were chosen on the basis that they were located in urban centres. Chris Hani sites were chosen because they were rural/ semi-rural. With the exception of Bholotwa, four of the pay-points had over 1000 beneficiaries registered at the site. This number was considered large enough to test the real efficiency of the payments system as opposed to smaller pay-points.

This research did not consider the role of the Department of Home Affairs in ensuring that all citizens access an identity document in order to apply for a social grant. As such, the research only considered those citizens who have gained access to the grants payments system and not those who may still be experiencing difficulties due to problems associated with the Department of Home Affairs.

5. BACKGROUND

Prior to the adoption of the South African Constitution in 1996, state provision of social assistance was governed by the Social Assistance Act No. 59 of 1992 which situated the

provision of social grants within the budgets allocated to provincial departments of Welfare.⁷

Subsequently, with the passage of the Constitution in 1996, the right to social security was provided for in section 27 (1) (a) of the Constitution which states that: “Everyone has the right to have access tosocial security, including, if they are unable to support themselves and their dependants, appropriate social assistance.”⁸ The constitutional provision also requires the state to “take reasonable legislative and other measures within its available resources, to achieve the progressive realisation” of this right.⁹ In fulfilling this obligation, the South African state has targeted its social security net at those it considers most vulnerable namely, the elderly, children and the disabled. In order to give effect to this right, the Social Assistance Act No. 9 of 2004 was passed.¹⁰

However, from its very inception, the payment of grants by provinces was beset with problems. In the Eastern Cape in particular, the provincial Department of Social Welfare (later Social Development), was consistently in a state of administrative dysfunction. In effect, the Department consistently violated the rights of beneficiaries to access their grants with dignity, if they were able to access them at all.¹¹

⁷ Section 2, Social Assistance Act, No. 59 of 1992.

⁸ Section 27 (1) (c) Constitution of the Republic of South Africa Act 108 of 1996, p. 13.

⁹ Ibid.

¹⁰ Section 33 of the Social Assistance Act No. 13 of 2004 repeals the Social Assistance Act No. 59 of 1992.

¹¹ See PSAM report “Resorting to the courts” by Stacey-Leigh Joseph which cites the following judgments made against the Eastern Cape Department of Social Development where judges criticised the impact of poor grants administration on beneficiaries: *Somyani v MEC for Welfare, Eastern Cape* (SECLD case number 1144/01); *Mahambehlala v MEC for Welfare, Eastern Cape Provincial Government and another*, 2001 (9) BCLR 899 (SE), p. 907; *Mbanga vs MEC for Welfare, Eastern Cape Provincial Government, and another*, 2001 (8), BCLR (SE), p. 830; *Ngxuza and others v Permanent Secretary, Department of Welfare, Eastern Cape Provincial Government, and another* 2001 (2) SA 609 (E). In the latter case, a class action suit was brought against the provincial administration on behalf of all those whose grants had been unlawfully suspended by the Eastern Cape Department of Social Development. In giving his judgment, Judge Froneman stated that there appeared to be “large-scale unlawful deprivation of social grants.” When the Ngxuza matter was taken on appeal by the Department, which was unsuccessful, the Supreme Court of Appeal noted the following in its judgement: “All this speaks of contempt for people and process that does not befit an organ of government under our constitutional dispensation. It is not the function of the courts to criticise government’s decisions in the area of social policy. But when an organ of government invokes legal processes to impede the rightful claims of its citizens, it not only defies the Constitution, which commands all organs of state to be loyal to the Constitution, and requires that public administration be conducted on the basis that ‘people’s needs must be responded to’. It also misuses the mechanisms of the law, which it is the responsibility of the courts to safeguard. The province’s approach to these

The grant payment function was subsequently outsourced in 2002 to two private companies, Cash Paymaster Services Eastern Cape (Pty) Ltd (CPS) and AllPay Eastern Cape (Pty) Ltd. In that year, the PSAM conducted research into 52 pay-point delivery sites in the Eastern Cape and surveyed 754 beneficiaries at these pay-points.¹² The research documented a marginal improvement in the payment of social grants, but also recorded extensive service delivery failure on the part of the contracted companies. The PSAM's research into conditions at pay-points administered by these companies revealed shockingly poor quality services rendered to beneficiaries through. The research further found that service level agreements (SLAs) between the Department and these companies were "effectively unenforceable and cannot be said to have been drawn up in the interests of the public."¹³

In addition, the Department was litigated on a regular basis by beneficiaries seeking to access the various grants offered by the state. The PSAM found that between 2001 and 2005 legal costs borne by the Department exceeded R52 million.¹⁴ Thus, while the outsourcing of grants payments had resulted in a marginal improvement in the efficiency of grants payments to those who qualified for them, it did not resolve other service delivery problems which were rooted in the Department's weak capacity to process applications for the various grants and administer its budget appropriately.

In order to remedy these dysfunctions, which occurred nationwide, government decided to relocate the function of social grants payment to the national Department of Social Development.¹⁵ The Department of Social Development first presented the concept of a 'National Social Security Agency' to the Portfolio Committee in Parliament on 26

proceedings was contradictory, cynical, expedient and obstructionist. It conducted the case as though it was at war with its own citizens, the more shamefully because those it was combatting were in terms of secular hierarchies and affluence and power the least in its sphere." See further in this regard Permanent Secretary Department of Welfare, Eastern Cape Provincial Government & Another v Ngxuza & other, SCA 493/00.

¹² Overy and Zuma, Outsourcing, p. 23.

¹³ Ibid, vii.

¹⁴ Joseph, "Resorting", p. 2.

¹⁵ C. van der Westhuizen and A. van Zyl, Obstacles to the Delivery of Social Grants, 2002, available online at www.idasa.org.za/gbOutputFiles.asp?WriteContent=Y&RID=669.

February 2003.¹⁶ The Agency would deal not just with improving the payment processes but to resolve other problems created by the system. There was a concern that the administration of the grants budget not only burdened provincial Departments of Social Development but also “squeezed” allocations for two other service delivery programmes within the provincial departments, that is, Social Welfare Services and Development and Research, both of which were equally important in the fulfilment of the social welfare mandate.¹⁷ Corruption within the system was also a major concern. In 2004, Minister of Social Development Zola Skweyiya was quoted by the Daily Dispatch as saying that the Department of Social Development had lost R1.5 billion a year between 2001 and 2004 due to corruption and fraud within the grants system.¹⁸

The South African Social Security Act No. 9 was passed in June 2004, bringing the South African Social Security Agency (SASSA) into existence as a legal entity.¹⁹ The new SASSA Act placed the Agency under the national Department of Social Development.²⁰ The establishment of SASSA was not, however, without contestation. In 2005, in the lead up to the establishment of the Agency, the Black Sash argued that the Agency would “replicate the existing dysfunctions of the system.”²¹ Amongst the dysfunctions listed were lack of human resource capacity, fraud, and poor information technology systems.

These criticisms were not unwarranted given that Skweyiya stated that there would be no retrenchments when the Agency began its operations; indeed, personnel from departments of Social Development would be transferred to SASSA.²² Furthermore, the very companies which were part of the problem in the previous system had their

¹⁶ Parliamentary Monitoring Group, Minutes of the Social Development Portfolio Committee Meeting: National Social Security Agency: Briefing, 26 February 2003, available online at www.pmg.org.za/viewminute.php?id=2452.

¹⁷ Republic of South Africa National Treasury, Provincial Budgets and Expenditure Review, 2002/03 – 2008 /09, p. 49.

Chris van Gass, “Pretoria to Tackle Poverty Grants”, Business Day, 20 July 2004.

¹⁸ Dispatch Reporter, “Social Security Agency to Keep Staff – Skweyiya”, 20 July 2004.

¹⁹ South African Social Security Agency Act No. 9 2004.

²⁰ Section 3 of the South African Social Security Agency Act No. 9 2004 provides for the establishment of the South African Social Security Agency as an entity subject to the Public Finance Management Act. SASSA is listed as a schedule 3A public entity in terms of the PFMA and is accountable to the Minister of Social Development – see further, in this regard, Chapters 2 and 3 of the SASSA Act.

²¹ Vicki Robinson, “Grants Agency ‘no panacea’”, Mail and Guardian, 8 April 2005. According to the same Mail and Guardian article, 37 000 public officials were receiving grants fraudulently.

²² Daily Dispatch Reporter, “Social Security”.

contracts extended. Although Skweyiya had stated that he had not been “impressed by the way in which they work”, tenders were extended to avoid disrupting payment systems and to await the awarding of a national tender.²³ Skweyiya characterised some of the service providers as lacking “the necessary sensitivity for the poorest of the poor”, thus acknowledging that beneficiaries were not always treated with the required degree of respect and dignity.²⁴

Members of the Eastern Cape provincial legislature were concerned that, as a national agency, SASSA would not be officially accountable to them. The Herald reported that “political parties in the Eastern Cape [were] unhappy that the South African Social Security Agency does not answer to the provincial legislature.”²⁵ Provincial Social Department Standing Committee Chairperson Xoliswa Tom stated that there was a need for a working relationship between the Legislature and SASSA “because at the moment there are people who are still paid their social grants under poor circumstances and we need to keep track of their progress.”²⁶

However, former MP Mary Turok commented at the time that “there is no alternative to the Agency” in light of the severe crisis which had beset the system provincially.²⁷ By January 2006, 1400 staff members were identified for transfer from the Eastern Cape Department of Social Development to Eastern Cape SASSA under its new acting manager, Bandile Maqetuka.²⁸

As early as 2004, the Department of Social Development had made undertakings that SASSA would reduce the length of the grant application process, which often took three months or longer.²⁹ SASSA piloted a new grants application system aimed at reducing

²³ Interview, M. Rasmussen, Eastern Cape Acting Regional Executive Manager of the South African Social Security Agency, 29 August 2007.

²⁴ Daily Dispatch Reporter, “Social Security”.

²⁵ Tabela Timse, “Parties call for E Cape legislature to oversee grants body”, Herald, 16 January 2007.

²⁶ Ibid.

²⁷ Robinson, “Grants “.

²⁸ Tom Mapham, “New Agency Takes Over paying Grants”, Daily Dispatch, 12 April 2006, p.4.

²⁹ Daily Dispatch Reporter, “Faster Grant Process Promised”, Daily Dispatch, 17 August 2004. See Mayibonge Maqhina. “Applicants for grants decry lengthy wait”, Daily Dispatch, 13 August 2004.

the amount of time that it took applications to be processed.³⁰ When SASSA was officially launched on 30 March 2007, Minister Skweyiya stated that through the establishment of the Agency “unbearable long queues, dilapidated buildings without proper infrastructure and inaccessibility of grants should be a thing of the past.”³¹ These undertakings were made under SASSA’s new vision to “Provide World-Class Social Security Services”.³² The research findings below reveal that while there have been significant improvements in service provision at the pay-points visited, infrastructural constraints in the province may impede the realisation of SASSA’s vision. Short of a sustained and integrated infrastructure development plan, social security provision can never be world-class.

6. RESEARCH FINDINGS

a) Payment process

The research found that beneficiaries were on the whole satisfied with the grants payment process under SASSA. Many contrasted what they considered a positive current state of affairs with the past situation which many described negatively. SASSA’s interventions at various points in the payment process have meant that, on the whole, beneficiaries experienced smoother service and were thus generally satisfied.

A significant improvement has been a reduction in the length of time it takes to get paid once the payment vehicles arrive. With the exception of Bholotwa, payment vehicles arrived at the expected time at each site. In Bholotwa, CPS serviced four sites within the area from between 7 and 10am and thus could only indicate approximate arrival times at the sites. CPS vehicles travelling through the area spent approximately 40 minutes to an hour at each of the four pay-points in the area. Bholotwa beneficiaries started queuing between 7.15 to 8 in the morning at all of these pay-points. At the fourth pay-point site in Bholotwa, beneficiaries had been queuing for over two hours before the CPS vehicles arrived.

³⁰ Nwabisa Nofemele, “Grant turnaround time slashed by new system”, *Herald*, 10 November 2006.

³¹ Keynote Address by Minister of Social Development Dr. Zola Skweyiya at launch of SASSA, 30 March 2007, SASSA House, Pretoria, available online at: www.sassa.gov.za/news/speeches/2007/20070403.asp.

³² SASSA Strategic Plan 2007/08 Presentation to Parliamentary Portfolio Committee on Social Development, 9 March 2007.

The majority of beneficiaries surveyed, 87 of 110 (79 percent), reported that once the payment vehicles arrived, they waited less than an hour to receive their grants.³³ Only 6 out of 110 (5.4 percent) reported waiting for 2 - 3 hours for their pensions.³⁴ In our observations, the payments occurred efficiently and in an orderly fashion at all pay-points. Once the initial morning contingent had been paid (usually within an hour) those coming later would be in and out of the pay-point in a matter of minutes. That is, these beneficiaries avoided the morning congestion since the pay-point would be quite empty by then. At B.B. Zondani and Jawuka Hall, payment occurred over a minimum of two days which decreased the volume of people serviced per day.

When asked whether they felt there had been an improvement in service quality since 2006, 44 (40 percent) said that there had been, and 45 (40.9 percent) said that there had been a consistently satisfactory standard from 2006 into the current year.³⁵ Only 1 (0.91 percent) beneficiary said that it was worse, while 5 (4.55 percent) were unsure.³⁶ Thus the majority of beneficiaries described the payment process as 'improved' or 'satisfactory' and some compared it favourably to the previous years which they described as a 'struggle'. One stated, "You get here, you don't wait, you don't suffer." In Port Alfred, one beneficiary stated that "now we don't get hungry waiting." In Somerset East another beneficiary also said that "there were problems in the past which made us feel uneasy. They used to treat us badly. But now things are going well." In Lady Frere, a beneficiary said that it was because of the presence of a community elected Welfare Committee that the payment process was smoother.³⁷ Of the sites visited, Lady Frere was the only one where we were formally introduced to the Welfare Committee which was visibly in charge of ensuring order during the payment process.

According to the Eastern Cape Acting Regional Executive Manager of SASSA, Mark Rasmussen, the overall increased efficiency in the payment process is due to a number of factors:

³³ See table for Question 4 in Appendix section.

³⁴ Ibid.

³⁵ See table for Question 5&6 in Appendix section.

³⁶ Ibid.

³⁷ Welfare Committees are voluntary community associations which monitor pay-point payment services and conditions on behalf of the local beneficiaries. They emerged as a response by communities to the crises which beset certain pay-points prior to 2006.

- a major drive by SASSA to encourage urban beneficiaries to migrate to banks (currently 350 000 people access grants through banks as compared to 15 000 in 2005),
- the presence of SASSA officials at pay-points as monitors over the service providers and to operate help desks for beneficiaries (however, there was no SASSA official in Bholotwa during our visit)
- multiple pay sites within one payment zone in rural areas shortens the distance for beneficiaries to sites.³⁸

Rasmussen stated that one of the most critical interventions made by SASSA was to manage the two payment companies. He stated that they had a fully fledged contract management unit to ensure that SASSA was “visible on the ground.” He stated that:

The problem area with regard to the payments was non-compliance by the service providers on occasions. At times they just did not arrive at pay-points. When we started with SASSA, we had already started looking at a contract or vendor management unit within the grants administration function in order to manage the payments. This became a reality in SASSA. We appointed our senior manager in about June 2006 and the rest of the staff were appointed since then. We have got a fully fledged unit that are there to manage the payments, to manage the service level agreements, with the two companies.³⁹

Beneficiaries in the Cacadu District did however complain that when the payment machines broke down or when there was a power outage, there would be major delays. This indicated that there was no immediate back-up plan in the areas as AllPay and SASSA relied solely on municipal provision of electricity. The SLA signed with AllPay requires that “a contingency plan must exist in the event of power failure to enable normal pay out functions to be resumed as soon as possible with the least inconvenience to beneficiaries.”⁴⁰

³⁸ Interview, M. Rasmussen, Eastern Cape Acting Regional Executive Manager of the South African Social Security Agency, 29 August 2007.

³⁹ Ibid.

⁴⁰ Service Level Agreement entered into between the Eastern Cape Provincial Government and AllPay Eastern Cape (Pty) Ltd, section 8.9.8.

Overall, the majority of beneficiaries lived within five kilometres of their pay-points.⁴¹ This was perceived as an improvement in service by one Bholotwa beneficiary who said, “We hated the long distance in the past. It is better now because it is closer to home.”

b) Behaviour of staff

Overall, the majority of beneficiaries commended the behaviour of payment staff at pay-points. Of the 110 beneficiaries interviewed, 93 (84.5 percent) said that staff were “always kind and understanding”; 12 (10.9 percent) said that staff were kind and understanding some of the time.⁴² Two (1.82 percent) were neutral on the matter, and 1 (0.91 percent) said that staff were rude and unkind.⁴³ Most beneficiaries felt that staff were generally helpful, respectful and patient. Some commended the general staff at the pay-point for ensuring that there was a sense of order in the queuing process.

However, there were some complaints about the behaviour of the service provider’s security guards. Security guards at the Port Alfred Jawuka Hall solicited bribes from beneficiaries who were confused about their payment situations. One beneficiary stated that when she moved to Port Alfred from Southwell and her old slip stated Southwell, she had to pay a R10 bribe to the security guard at the gate to get through. When she later returned with a Port Alfred slip she was not asked to pay a bribe. A second beneficiary also reported having to bribe the security guards to let her into the pay-point. She said, “I sometimes have a problem because I tried to change my pay-point from Port Elizabeth. I had to pay R10 for security guard [to get into the pay-point].” At B.B. Zondani, an older beneficiary commented that the manner in which security guards at the gate treated people was not always polite. “It is wrong”, he said. In Somerset East there was also a beneficiary who complained about security guards, saying, “The security guards are rude and are wrong. They just give us orders. They do not know how to be polite, it is not right that they behave that way.”

In our own observations of the security guards at the Bholotwa and Port Alfred sites we noted that beneficiaries were sometimes spoken to in harsh, condescending tones which violated their basic dignity. Furthermore, in Port Alfred the security guards tended to

⁴¹ See table for Question 7 in Appendix section.

⁴² See table for Question 9 in Appendix section.

⁴³ Ibid.

assist beneficiaries with information relating to their grant payments instead of referring them to the relevant official. We felt that this was inappropriate as not only were security guards condescending in tone, it was clear that they were not trained to deal with beneficiaries and did not relate to them according to Batho Pele principles.

c) Internal Capacity

As stated above, the chronic inability of the Eastern Cape Department of Social Development to handle the provincial grants budget was rooted in the weakness of its internal administrative structures. According to Rasmussen, the Eastern Cape regional SASSA prioritised staffing when it became operational. He stated that in 2006 Eastern Cape SASSA had 456 staff which they tripled to 1332 by August 2007, just less than 50 percent of the full 3000 personnel organogram.⁴⁴ When grants administration and the payment of beneficiaries was housed under the Eastern Cape Department of Social Development, the full grants administration staff complement numbered only 1381.⁴⁵ Rasmussen noted that SASSA was currently advertising 350 posts over the next year. He stated that they had improved staffing in critical posts but also at district level:

We concentrated on staffing the district offices. About 900 of our staff were clerical workers which we employed in the District. So we have not gone for the top heavy approach where we put in place the huge regional structures and forget about our service offices. Nine hundred personnel at the service point.

This staffing strategy may have gone some way towards alleviating delays in the processing of applications. Fourteen of seventeen beneficiaries who applied for their grants under SASSA in the past year reported waiting between 1 to 3 months to access their grants after application. Two of these fourteen were able to indicate that their applications were approved on the very same day that they applied (both in Somerset East).⁴⁶ However, another respondent in Somerset East had a different experience and stated that she had experienced delays. She complained that "it has taken four and a

⁴⁴ Interview, M. Rasmussen, Eastern Cape Acting Regional Executive Manager of the South African Social Security Agency, 29 August 2007.

⁴⁵ Eastern Cape Department of Social Development 2005/06 Annual Report, 'Personnel Costs By Programme', p. 149.

⁴⁶ It must be noted that the question posed (How long did you wait for your grant application to be approved?) to those who had been receiving grants for less than year was ambiguous. Most respondents indicated the time they waited to access their grants after the initial application whereas the question was intended to find out how long they waited for an application letter. In retrospect, I have interpreted the results as the respondents understood the question and not as intended.

half months. When they [Social Development] talk on radio, they make it sound easy, but it isn't. It was easier in the Western Cape [where she lived originally]. When I left the Western Cape they said one day approval. I almost gave up here". It was not clear why she suffered delays; however this indicates that the applications process may not always be as streamlined as SASSA views it to be.

d) The Lady Frere Welfare Committee

The Welfare Committee in Lady Frere was the primary interface between beneficiaries and CPS. Although SASSA monitors were present at a help desk, it was the Committee which ensured order, assisted the old and directed people to the queues. It must be noted that these efforts were not remunerated and undertaken completely voluntarily. According to the Lady Frere SASSA manager, their chosen approach to grants payments was participatory in nature. The committee plays three roles:

- 1) monitoring the pay-point on behalf of the community,
- 2) assisting beneficiaries in solving their grievance,
- 3) setting up the hall and facilitating queues during payment.

The current committee consisted of four members, one young man and three women. All four members said they were not formally employed and thus used their time to provide this service. This time involves between 6-7 hours at the pay-point on a monthly basis, and additional involvements in meetings with SASSA and other community discussions. These members are elected for a five-year term of office and are not paid for their services. One explained, "We do not work. We volunteer so that old people can get paid pensions with dignity." There is a gendered dimension to this unpaid work given that most of the members were women and when asked why this was so, a Committee member commented that "the men are busy at work." While the voluntary efforts of the Welfare Committee are commendable, the real responsibility for ensuring beneficiary-friendly pay-point conditions resides with remunerated SASSA officials and the service providers. It is SASSA officials who should be primarily involved in setting up and keeping order at the venues with assistance from the Welfare Committee members.

e) Infrastructure and Amenities

The provision of adequate infrastructure and amenities is an area which needs careful consideration by SASSA.

All three Cacadu pay-points were in urban areas (Grahamstown, Somerset East and Port Alfred). SASSA used already existing community hall facilities which have fences, electricity, running water, sanitation, and ramp/ground level access for wheelchairs. However, we noted with concern that the quality and condition of these amenities could not be considered adequate. In some instances toilets were dirty, while some were broken. In Port Alfred the perimeter fencing was completely inadequate and severely damaged. While conditions were not necessarily appalling, poor quality amenities underscored the reality that the most vulnerable citizens in South Africa are expected to tolerate a very low baseline standard of services in general when they encounter state processes.

In the Chris Hani district the picture was quite different. The CPS payment vehicles do not have removable cash containers, and all of them are mobile units intended for outside payments. In Lady Frere this meant that although a community hall was being used, payment occurred outside because of the mobile unit. The hall was merely used as a waiting venue.

In Bholotwa the situation was far from adequate (see Picture I below). All payments and waiting occurred in open air conditions. In two of the four pay sites, payments occurred within fenced areas, although they could hardly be described as secure. In both instances, the fencing was wholly inadequate and in need of repair. The remaining two sites operated in open fields and beneficiaries had no shelter from the elements.



Picture 1: Beneficiaries queue for grants in an open field at Bholotwa - photo by Lwandile Fumba

There were no amenities of any kind available at the four Bholotwa pay sites. CPS did not have any wheelchairs. Beneficiaries requested use of toilets and water from neighbouring households. Some beneficiaries had opted to bring their own benches and mats to sit on; otherwise they simply sat on the ground.

Beneficiaries complained about conditions when it rains and during the winter. One observed that “it is hard when it is cold...their generators [for payment] take time to

warm up.” Another stated, “The place [pay-point area] is not secured. There is no place for shelter when it is raining, that bothers us.” One observed that “this is not really a pay-point, it is a crèche yard. We have no shelter.” This situation is all the more cause for concern given the fact that a large proportion of grant recipients are elderly and/ or disabled. One complained that, “Even if you are sick you sleep on the ground. We would appreciate a tent in winter because it is an open plain here.”

7. ANALYSIS

a) Infrastructure vs Distance Conundrum

Rasmussen noted that in terms of “client satisfaction”, it is the totality of the grants accessing process which determines what beneficiaries feel about service; that is, beneficiaries experience the entire grants accessing process as a single, indivisible process where they make no fundamental distinction between roles and responsibilities between service providers and SASSA.⁴⁷ Rasmussen noted, however, that the improvements were also due to the experience which service providers had gained on the ground in terms of managing their own operations at pay-points.⁴⁸

Notwithstanding the general satisfaction of grants recipients with the quality of service, the above findings on conditions in pay-points show that there is a stark difference in the quality of service experienced by beneficiaries in rural and urban areas. Thus, while SASSA has made improvements, major systemic challenges relating to the lack of infrastructure (roads, buildings, electricity) impede progress. The fact that beneficiaries continue to access grants in open air conditions points to the chronic absence of infrastructure in the Eastern Cape. Unless massive infrastructure investments are made in these areas, the use of mobile payment units will continue to be necessary; recipients will most likely continue to have no access to amenities when they are serviced by SASSA and service providers.

The National Department of Social Development’s 2002 National Norms and Standards Policy for Social Assistance Service Delivery stipulate that “all pay-points shall ensure that basic facilities such as toilets, water, medical first aid kits and shelter will be 100

⁴⁷ Interview, M. Rasmussen, Eastern Cape Acting Regional Executive Manager of the South African Social Security Agency, 29 August 2007.

⁴⁸ Ibid.

percent available at all times.”⁴⁹ However, Service Level Agreements signed with AllPay and CPS do not commit these companies explicitly to this. They state that the pay-point “should as *far as possible*” (my emphasis) meet the criteria set out in the National Norms and Standards.⁵⁰ This effectively means that the provincially signed SLA’s left room open for non-compliance with the National Norms and Standards. It is quite feasible that the Eastern Cape SLA’s did not commit service providers to national norms because of the local realities. If the Norms and Standards are unenforceable, then they are virtually redundant and need revision. A critical issue for SASSA’s consideration going forward is whether to maintain the current Norms and Standards or not.

There are two dimensions to the rural infrastructure conundrum. The first has to do with high-level infrastructure such as adequate access roads, electricity, water piping and transportation systems. The provision of this infrastructure is a long term challenge which is integrally connected to broader economic upliftment plans by the provincial government. The Eastern Cape Socio-Economic Council (ECSECC) noted that “there are acute infrastructure backlogs, particularly in the former homeland areas. These include, for example, water and sanitation, mud schools and very poor access roads. The extent of tarred road in Chris Hani is below the provincial average throughout.”⁵¹

Rasmussen commented that “in the Eastern Cape you have areas which are very void of infrastructure, especially in the deep rural areas, there is nothing there. There might be a trading store or there might be a school that possibly we can utilise, but you’ve got places where there is not even that.” Because there is no electricity, CPS vehicles are essentially mobile units with generators to run the systems. The computerised payment and identification systems are fixed to the generators which are located in the vehicle. This means that even if there is an available building, such as in Lady Frere (see Picture II below), as long as a pay-point is within CPS’s radius, takes place outdoors and not indoors (CPS does park its payment vehicles as close to the hall entrance as possible).

⁴⁹ Department of Social Development National Norms and Standard Policy for Social Assistance Service Delivery, February 2002, 7.6.1, p. 16. It must be noted that all service providers had a first aid kit at their pay-point.

⁵⁰ Service Level Agreement entered into between the Eastern Cape Provincial Government and AllPay Eastern Cape (Pty) Ltd, section 8.2.1

Service Level Agreement entered into between the Eastern Cape Provincial Government and Cashmaster Payment Services (Pty) Ltd, section, 7.3.14.

⁵¹ Eastern Cape Socio-Economic Consultative Council, Chris Hani District Municipality, 2007, p.7.

The CPS mobile system allows it to access non-electrified areas whilst constraining service enhancement in areas where electricity is available. CPS should upgrade or diversify its payment equipment in order to take advantage of indoor facilities where available so that beneficiaries are not inconvenienced.



Picture II: In Lady Frere beneficiaries have to queue outside the hall because the CPS cash payment equipment is powered from a generator in the vehicle. This means that CPS cannot take full advantage of the building as a sheltered pay-point even though the hall is electrified – photo by Lwandile Fumba.

The second dimension to the infrastructure problem is the spatial distribution of households in the rural areas. Because households are not arranged in the same high density fashion as urban areas, the location of halls and schools is not necessarily centralised. Thus within a 15 kilometre radius, there may be four pay sites, such as in Bholotwa. Having four pay sites brings the grants payment services closer to beneficiaries, particularly those who are elderly and disabled. However, the trade off is

that they will get paid in open air sites because there are no available communal buildings which can be used.

Long term infrastructure problems cannot be solved by SASSA alone, but by an integrated economic development policy and plan. The second dimension however, can be resolved by SASSA through a commitment to providing temporary structures and amenities to open air pay-points. If SASSA is to realise the vision of 'World Class' services and also uphold its constitutional obligation to ensure that beneficiaries are treated with dignity by the state, then it will have to commit itself to creating set-up operations teams for each locality where necessary. These teams can do the necessary set-up of marquees, chairs, water tanks and ablutions for the benefit of the citizens they serve. Short of this kind of commitment, beneficiaries will continue to access grants in less than pleasant circumstances.

Rasmussen considered the dilemma, and suggested that 3000 pay-points may be unnecessary by asking:

Do they [pay-points] all fall within the norm of a 15 km radius? If you have 3 or 4 pay points within the 15 km radius and 3 of them are outside the norms and standards, why not use the fourth one that might fall within the norms and standards?⁵²

SASSA must, however, consider that while there is no adequate infrastructure at present, this situation is in fact alleviated by bringing pay-points closer to people and decreasing the turn around time at pay-points. There is a tension between ensuring closer access to grants payment (distance) and the provision of amenities in the long term. The current Norms and Standards do not take into account the lack of infrastructure in rural areas, thus creating a dilemma for SASSA. SASSA needs to reflect on whether narrowing distances to pay-points is more important than the provision of water tanks and portable toilets.

⁵² Interview, M. Rasmussen, Eastern Cape Acting Regional Executive Manager of the South African Social Security Agency, 29 August 2007.

b) Emerging Concerns: Migration to Banks

Given that one of SASSA's key quality improvement strategies has been to encourage beneficiaries to access their grants through the private banking sector, it is incumbent upon the Agency to monitor, document and evaluate the experiences of beneficiaries who opt for this choice. Although citizens who choose private banks to access their money bear the responsibility for accompanying risks, it is also important that SASSA be fully aware of this environment and advise beneficiaries when they are encouraged to migrate to these institutions. SASSA, for example, cannot know that grants withdrawn from the beneficiaries' personal accounts through auto-teller machines (ATMs) have been accessed by either the beneficiary or their procurator. It could be the case that the banking system empowers money-lenders who prey on grants recipients to further victimise vulnerable citizens by allowing them direct access to their bank cards which they never, in practice, have to return to beneficiaries. SASSA can only guarantee that beneficiaries have handled their own cash when grants are accessed at pay-points.

Furthermore, SASSA needs to strengthen the Life Certification Process so that it can be certain that beneficiaries are still living when grants are accessed from bank accounts.⁵³ According to SASSA, beneficiaries who use banks should sign and provide finger prints for a verification form to be signed by a Commissioner of Oaths as proof that they are still alive, on an annual basis.⁵⁴ However, this process has not been implemented effectively and there is a backlog of verifications dating back to the Eastern Cape Department of Social Development's administration of grants.⁵⁵ This backlog is likely to increase given that there will be an increase in beneficiaries using banking services. SASSA must expedite the verification process for existing beneficiaries in order to prevent potential grants fraud. The Agency must also establish more effective verification systems which will ensure that all beneficiaries who access grants through banks can easily provide proof that they are still living.

⁵³ Email correspondence with Vuyolwethu Bukula, SASSA Eastern Cape, 16 October 2007.

⁵⁴ Ibid.

⁵⁵ Ibid.

8. CONCLUSION

This research found that the majority of beneficiaries surveyed at 5 grant pay-points in the Cacadu and Chris Hani districts were satisfied, if not complimentary, about the quality of service they were receiving under SASSA's administration. It was clear that the turn around time during payment time was the most noticeable area of improvement in contrast to past experiences under the provincial Department of Social Development. Four of the five sites visited had over 1000 registered beneficiaries where SASSA and service providers displayed effective management of these numbers. While there were some complaints specific to individuals and pay-points, this research revealed that in these districts past systemic failure of the social assistance system in the Eastern Cape is being progressively resolved.

However, infrastructure was clearly lacking in rural pay-points, which meant that beneficiaries in these areas were not receiving their grants in pleasant circumstances as our observations in Bholotwa revealed. Urban pay-points had basic amenities and shelter, while Bholotwa residents were paid in the open air. The paper argued that the infrastructure conundrum arose because of socio-economic 'underdevelopment' in rural areas as well as the very scattered spatial arrangement of households. The latter condition made it hard for service providers to identify centralised community buildings such as halls or schools within a reasonable distance from beneficiaries.

Criteria for pay-point amenities set out in the National Norms and Standards are not only unrealistic, but unenforceable; and hence SLA's with service providers do not commit them to the provision of such amenities. This contradiction is an area which needs review by SASSA and the National Department of Social Development.

The paper also shows that there is a potential trade-off to be made between bringing pay-point sites closer to beneficiaries, thus decreasing payment turn around times, and the provision of infrastructure and use of better quality, but more distant, community buildings.

This report recommended that portable amenities can be provided for beneficiaries so as to enhance the quality of service for beneficiaries when accessing state services.

Finally, the research highlighted the migration of beneficiaries to banks as an emerging area of concern for the Agency. It argued that it was SASSA's responsibility to monitor and evaluate beneficiaries' experiences of accessing grants through private institutions. It also recommended that SASSA establish a simpler and more effective Life Certification Process to ensure that beneficiaries are still alive when grants are accessed from their bank accounts.

APPENDICES

Total Survey			Grant Type			
Date	Place	No. of People Surveyed	Old Age	Disability	Child Support	Cannot Count [Error]
	B.B. Zondani - Grahamastown	30	24	6	0	0
	Jawuka Hall - Port Alfred	25	7	7	11	0
	Somerset East Youth Hall	25	6	8	10	1
	Bholotwa	20	7	3	10	0
	Lady Frere	10	3	4	3	0
Total		110	47	28	34	1
% of Total		100.00%	42.73%	25.45%	30.91%	0.91%

Total Survey			Q1: How Long Have You Been Receiving a Grant?				
Date	Place	No. of People Surveyed	<1	1-3 years	3-5 years	5 or more	Cannot Count [Error]
	B.B. Zondani - Grahamastown	30	2	4	3	21	0
	Jawuka Hall - Port Alfred	25	4	8	3	10	0
	Somerset East Youth Hall	25	8	6	2	9	0
	Bholotwa	20	1	4	2	13	0
	Lady Frere	10	2	3	1	3	1
Total		110	17	25	11	56	1
% Total		100.00%	15.45%	22.73%	10.00%	50.91%	0.91%

Total Survey			Q4: How long on average do you have to wait for your grant at this paypoint?				
Date	Place	No. of People Surveyed	<1 Hour	1-2 Hours	2-3 Hours	> 3 Hours	Cannot Count [Error]
	B.B. Zondani - Grahamastown	30	21	5	3	0	1
	Jawuka Hall - Port Alfred	25	25		0	0	0
	Somerset East Youth Hall	25	19	6	0	0	0
	Bholotwa	20	14	3	3	0	0
	Lady Frere	10	8	2	0	0	0
Total		110	87	16	6	0	1
% Total		100.00%	79.09%	14.55%	5.45%	0.00%	0.91%

Total Survey			Q5&6: Has the quality of service improved since 2006?				
Date	Place	No. of People Surveyed	Yes its better	No its worse	It has remained consistent	Unsure	Cannot Count [Error]
	B.B. Zondani - Grahamastown	30	14	0	13	1	2
	Jawuka Hall - Port Alfred	25	14	0	6	0	5
	Somerset East Youth Hall	25	10	1	8	1	5
	Bholotwa	20	4	0	14	1	1
	Lady Frere	10	2	0	4	2	2
Total		110	44	1	45	5	15
% Total		100.00%	40.00%	0.91%	40.91%	4.55%	13.64%

Total Survey			Q7: How far did you travel to get to this pay point?				
Date	Place	No. of People Surveyed	5km or less	5-10km	10-20km	20km or more	Cannot Count [Error]
	B.B. Zondani - Grahamastown	30	15	5	1	9	0
	Jawuka Hall - Port Alfred	25	15	6	3	1	0
	Somerset East Youth Hall	25	12	7	3	3	0
	Bholotwa	20	19	1	0	0	0
	Lady Frere	10	7	0	1	2	0
Total		110	68	19	8	15	0
% Total		100.00%	61.82%	17.27%	7.27%	13.64%	0.00%

Total Survey			Q9: How would you describe the behaviour and treatment of people by pay point staff ?				
Date	Place	No. of People Surveyed	Always Kind and Understanding	Sometimes Kind and Understanding	Neutral	Rude and Unkind	Cannot Count [Error]
	B.B. Zondani - Grahamastown	30	23	3	2	1	1
	Jawuka Hall - Port Alfred	25	20	4	0		1
	Somerset East Youth Hall	25	22	3	0	0	0
	Bholotwa	20	19	1	0	0	0
	Lady Frere	10	9	1	0	0	0
Total		110	93	12	2	1	2
% Total		100.00%	84.55%	10.91%	1.82%	0.91%	1.82%

Pay-point Questionnaire

Pay Point:

Date:

Grant Type:

Region:

Service Provider:

PSAM Researcher:

1. How long have you been receiving a grant?

Less than a year	1 – 3 years	3-5 years	5 years or more
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If less than a year, how long did you wait for your grant application to be approved....

2. Is this your normal pay point?

Yes	No
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3. Can you name the government body responsible for paying grants?

4. How long on average do you have to wait for your grant at this pay point?

Less than an hour	1 – 2 hours	2 – 3 hours	3 – 4 hours
4 – 5 hours	5 – 6 hours	6 -7 hours	7 hours or more

5. Has the quality of service improved since the beginning of 2006?

Yes – its better	No – its is worse	It has remained consistent	Unsure
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6. If yes, what would you say these changes are? If no, can you explain why you say so?

7. How far did you travel to get to this pay point?

5km or less	5km – 10km	10km - 20km	20km or more
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8. Does the pay point have the following facilities as far as you are aware:
- Toilet
 - Chairs for aged and disabled to sit down
 - Drinking Water
 - Portable beds
 - Wheelchairs
 - First Aid Kit
 - Electricity
 - Easy access for the aged and disabled (e.g. ramps or ground-level entrances)
 - Special queues for the disabled, the aged and war veterans
9. How would you describe the behaviour and treatment of people by pay point staff?

Always kind and understanding	Sometimes kind and understanding	Neutral	Rude and Unkind
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Please explain what you mean?

10. If you have had problems, or in the event that you have a problem who do you complain to?

11. Have you been given a receipt with each payment indicating the date and venue of your next pay-out?

Yes	No
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12. Do you ever see money-lenders (mashonisa/ skoppers) near the pay point?

Yes	No
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13. Any other comments on your experience as a grants beneficiary with either SASSA or the service provider?